



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-091]

Certain Steel Wheels (12-16.5 inches diameter) from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission in Part, and Intent to Rescind in Part; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain steel wheels (12-16.5 inches diameter) (certain steel wheels) from the People's Republic of China (China) during the February 25, 2019, through December 31, 2019, period of review (POR). Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kyle Clahane, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5449.

SUPPLEMENTARY INFORMATION:

Background

On September 1, 2020, Commerce published a notice of opportunity to request administrative review of the countervailing duty (CVD) *Order*¹ covering the period February 25, 2019, through December 31, 2019.² Several interested parties requested that Commerce conduct an administrative review of the *Order* and, on February 6, 2021, Commerce published in the

¹ See *Certain Steel Trailer Wheels 12 to 16.5 Inches from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders*, 84 FR 45952 (September 3, 2019) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 85 FR 54349 (September 1, 2020).

Federal Register a notice of initiation of an administrative review *Order* in relation to five parties.³ On January 14, 2020, Commerce selected Xingmin Intelligent Transportation Systems (Group) and Zhejiang Jingu Company Limited (Zhejiang Jingu) as the mandatory respondents in this administrative review.⁴

Subsequent to Commerce's selection of mandatory respondents, the sole requests of the mandatory respondents were withdrawn.⁵ On February 12, 2021, Commerce selected Xiamen Topu Imports & Export Co., Ltd (Xiamen Topu) as a replacement mandatory respondent, and on April 22, 2021, we selected Shanghai Yata Industry Company Limited (Shanghai Yata) as an additional mandatory respondent in this administrative review.⁶ On May 6, 2021, Zhejiang Jingu and Shanghai Yata withdrew from participation in this administrative review.⁷ On May 27, 2021, Commerce extended the deadline for the preliminary results of this review by 30 days.⁸ Accordingly, the deadline for the preliminary results of this review was extended to July 2, 2021.

For events that occurred since the *Initiation Notice*, see the Preliminary Decision Memorandum.⁹ A list of topics discussed in the Preliminary Decision Memorandum is included in the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 68840 (October 30, 2020) (*Initiation Notice*).

⁴ See Memorandum, "Respondent Selection," dated January 14, 2021.

⁵ See Trailstar's Letter, "Withdrawal of Request for Administrative Review of the Countervailing Duty Order on Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People Republic of China," dated January 28, 2021.

⁶ See Memorandum, "Respondent Selection: Selection of Replacement Mandatory Respondent," dated February 12, 2021; see also Memorandum, "Respondent Selection: Selection of Replacement Mandatory Respondent," dated April 22, 2021.

⁷ See Zhejiang Jingu's Letter, "Notice Regarding Participation in Administrative Review," dated May 6, 2021. In the investigation, Commerce found that Shanghai Yata was affiliated through cross-ownership with Zhejiang Jingu. Commerce also determined that four other Chinese companies were cross-owned with Zhejiang Jingu: Shangdong Jingu Auto Parts Co., Ltd.; An'Gang Jingu (Hangzhou) Metal Materials Co., Ltd.; Zhejiang Wheel World Co., Ltd.; and Hangzhou Jingu New Energy Development Co. Ltd. See *Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China: Final Affirmative Countervailing Duty Determination, and Final Affirmative Determination of Critical Circumstances*, 84 FR 32723 (July 9, 2019), and accompanying Issues and Decisions Memorandum.

⁸ See Memorandum, "Extension of Deadline for the Preliminary Results of Countervailing Duty Administrative Review; 2019," dated May 27, 2021.

⁹ See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Certain Steel Wheels (12-16.5 inches diameter) from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the *Order*

The products covered by the *Order* are certain on-the-road steel wheels, discs, and rims for tubeless tires with a nominal wheel diameter of 12 inches to 16.5 inches, regardless of width. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). In reaching these preliminary results, Commerce relied on facts otherwise available, with the application of adverse inferences.¹⁰ For further information, see “Use of Facts Otherwise Available and Application of Adverse Inferences” in the accompanying Preliminary Decision Memorandum.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. We received a timely withdrawal of the requests for review, for which no other parties requested a review, for Xingmin Intelligent Transportation Systems (Group) (Xingmin Intelligent).¹¹ Therefore, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* with respect to this company.

Intent to Rescind Administrative Review, in Part

It is Commerce’s practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject

¹⁰ See section 776 of the Act.

¹¹ See TTT’s Letter, “Withdrawal of Request for Administrative Review of the Countervailing Duty Order on Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People Republic of China,” dated January 15, 2021.

merchandise during the POR for which liquidation is suspended.¹² Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.¹³ Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated countervailing duty assessment rate calculated for the review period.¹⁴

According to the CBP import data, one of the five companies subject to this review, Hangzhou Antego Industry Co. Ltd, which was not chosen as a mandatory respondent and for which its request for review was not withdrawn, did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR by Hangzhou Antego Industry Co. Ltd, we intend to rescind this administrative review, with respect to Hangzhou Antego Industry Co. Ltd, in accordance with 19 CFR 351.213(d)(3).

Use of Facts Otherwise Available and Application of Adverse Inferences

Subsequent to the initiation of this administrative review, Commerce issued initial questionnaires to the Government of China (GOC) dated January 21, 2021, February 16, 2021 and April 22, 2021, with a request for the GOC to forward the questionnaires to the respondents.¹⁵ The GOC, Shanghai Yata, and Xiamen Topu failed to respond to the questionnaire by the specified deadlines. Therefore, because necessary information is not available on the record and because Shanghai Yata, Xiamen Topu, and the GOC failed to

¹² See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017); see also *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review*; 2017, 84 FR 14650 (April 11, 2019).

¹³ See 19 CFR 351.212(b)(2).

¹⁴ See 19 CFR 351.213(d)(3).

¹⁵ See Commerce's Letter, "Countervailing Duty Questionnaire," dated January 21, 2021 (Initial Questionnaire); see also Commerce's Letter, "Selection of Replacement Mandatory Respondent," dated February 16, 2021; and Commerce's Letter, "Selection of Additional Replacement Respondent," dated April 22, 2021. In its letter to the GOC, Commerce established the deadlines of March 2, 2021 for the Section III response identifying affiliated companies, and of March 25, 2021 for the remainder of Section III and the GOC's responses to the remainder of the Initial Questionnaire.

respond to Commerce’s request for information, we preliminarily find that the use of facts available is warranted, pursuant to sections 776(a)(1) and 776(a)(2)(A), (B) and (C) of the Tariff Act of 1930, as amended (the Act). Moreover, because Shanghai Yata, Xiamen Topu, and the GOC did not cooperate to the best of their ability, pursuant to 776(b) of the Act, we preliminarily find that use of adverse facts available (AFA) is warranted to ensure that Shanghai Yata and Xiamen Topu do not obtain a more favorable result by failing to cooperate than if they had fully complied with our requests for information.

In the investigation, we determined that Shanghai Yata was cross-owned with Zhejiang Jingu during the periods of time relevant to the investigation.¹⁶ Since the record of this administrative review contains no factual information that would lead Commerce to reconsider this cross-ownership determination, we preliminarily determine that Shanghai Yata remained cross-owned with Zhejiang Jingu during the POR. Accordingly, Zhejiang Jingu and its cross-owned companies, including Shanghai Yata are subject to the AFA rate. For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.¹⁷

Preliminary Results of Review

Company	Net Subsidy Rate <i>Ad Valorem</i> (percent)
Zhejiang Jingu Company Limited and Shanghai Yata Industry Company Limited ¹⁸	388.31

¹⁶ *See Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China: Final Affirmative Countervailing Duty Determination, and Final Affirmative Determination of Critical Circumstances*, 84 FR 32723 (July 9, 2019), and accompanying Issues and Decisions Memorandum (IDM). During the CVD investigation of certain steel wheels from China, Commerce determined that Zhejiang Jingu and Shanghai Yata were cross-owned companies. While the company that requested a review of Zhejiang Jingu withdrew its request for Zhejiang Jingu, Shanghai Yata remained in the administrative review because the company that filed a request for review of Shanghai Yata did not withdraw its request for review. Thus, because Shanghai Yata was still subject to the administrative review, we issued an initial questionnaire to Shanghai Yata. All cross-owned companies of Shanghai Yata were required to file a response to the questionnaire, including Zhejiang Jingu, if the companies remain cross-owned during the POR.

¹⁷ *See* Preliminary Decision Memorandum at 5.

¹⁸ In the investigation, we found that Zhejiang Jingu was cross-owned with An Gang Jingu (Hangzhou) Metal Materials Co., Ltd.; Hangzhou Jingu New Energy Development Co. Ltd.; Shangdong Jingu Auto Parts Co., Ltd.; Zhejiang Jingu Automobile Components; Zhejiang Wheel World Co., Ltd.; and Shanghai Yata Industry Company Limited. There is no information on the record of this administrative review that would lead Commerce to reconsider that determination, therefore, we preliminarily continue to find these companies cross-owned.

Xiamen Topu Imports & Export Co., Ltd	388.31
---------------------------------------	--------

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with the preliminary results of a review within ten days of its public announcement, or if there is no public announcement, within five days of the date of publication of the notice of preliminary results in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied AFA to the three companies that remain in the administrative review, in accordance with section 776 of the Act, and because our calculation of the AFA subsidy rate is outlined in the Preliminary Decision Memorandum,¹⁹ there are no further calculations to disclose.

Public Comment

Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.²⁰ Rebuttals to case briefs may be filed no later than seven days after the case briefs are filed, and all rebuttal comments must be limited to comments raised in the case briefs.²¹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.²²

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the companies shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2) Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries

¹⁹ *Id.*

²⁰ See 19 CFR 351.309(c).

²¹ See 19 CFR 351.309(d).

²² See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

covered by this review. For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period February 25, 2019 through December 31, 2019, in accordance with 19 CFR 351.212(c)(1)(i).

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the Federal Register. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: July 1, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Intent to Rescind Administrative Review, In Part
- IV. Partial Rescission of Administrative Review
- V. Scope of the Order
- VI. Use of Facts Otherwise Available and Application of Adverse Inferences
 - a. Legal Standard
 - b. Application of AFA to the GOC and Non-Responsive Mandatory Respondents
Shanghai Yata Xiamen Topu, and Zhejiang Jingu
 - c. Selection of the AFA Rates
- VII. Conclusion

[FR Doc. 2021-14638 Filed: 7/8/2021 8:45 am; Publication Date: 7/9/2021]